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NEWS FLASH: Maryland's ALICE Families and Education Policy

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Yesterday, the United Ways across the state of Maryland released the **ALICE®** report . The report is, a detailed account of families that were formerly referred to as “the working poor.” ALICE is an acronym for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” United Way describes the term as “a way of defining and understanding our families, neighbors, and colleagues (men and women) who work hard, earn above the federal poverty level, but cannot afford a basic household budget of housing, childcare, food, transportation, and healthcare.”¹ An individual in the ALICE category is employed but earns no more than a “survival budget;” has no safety net for times of crisis; lives with chronic housing and healthcare instability; and does not qualify for many forms of social support such as Medicaid. Maryland’s ALICE report is the fifteenth commissioned in the United States by United Ways as a way to focus public attention on the financial instabilities that occur in every suburb, city, and rural county – often well below the radar. The reports constitute powerful resources with which philanthropies, elected officials, and government agencies can understand, and then address, the unique needs of this family group.

The ALICE population represents 25 percent of Maryland’s households. ALICE families live in every corner of the state and reflect the racial and ethnic compositions of their communities. They comprise thirty percent of Maryland’s seniors. The report breaks this down by county and, for Baltimore, by neighborhood, using local standards of living to bring real-world perspective. Beyond the statistics, though, the report explains what these numbers *mean* in each domain of life, summarizing as follows:

When ALICE households cannot make ends meet, they are forced to make difficult choices such as forgoing health care, accredited childcare, healthy food, or car insurance. These “savings” threaten their health, safety, and future – and they reduce productivity and raise insurance premiums and taxes for everyone. The costs are high for both ALICE families and the wider community.²

Those in education policy will ask, What are the consequences for children’s educational experiences and outcomes? The report points out at least four negative impacts on schooling:

- School disruptions that result from housing insecurity and homelessness;
- Teenagers’ leaving school (sometimes permanently) to help support the family;
- Infrequent use of (often inadequate) early childhood education;

¹ The United Way, “ALICE: The United Way’s Study of Financial Hardship,” *The ALICE Project*, n/d, <http://www.unitedwayalice.org/index.php>.

² Maryland State Association of United Ways, “ALICE Maryland: A Study of Financial Hardship,” *The ALICE Project* (Baltimore, MD: Maryland State Association of United Ways, January 9, 2017), www.uwcm.org/ALICE.

- Reduced likelihood of earning post-secondary degree due to lack of savings.

The United Way study thus suggests what teachers and principals already know: far more children live with chronic instability than are captured in the Free and Reduced Meals measure. What does this mean for Maryland policymakers?

One avenue for exploration would be the development of a state-appropriate designation for low-income students instead of “Free and Reduced Meals” (FRM). FRM is tied to the federal poverty index and, as such, does not capture the ALICE population. The report provides a thorough discussion of this dilemma with respect to general social support on pages 10 and 11, but not to education funding. Creating such a designation would require cross-agency collaboration so as to draw upon numerous, relevant data sources that reflected the realities with which children live.

Another would be to address the unintended gap left by the McKinney-Vento Act. The Act funds transportation vouchers so that children who become homeless can continue to attend their prior school. But there is barrier to use: parents of young children rightfully hesitate to send them across town on a bus alone. The state’s providing transportation vouchers to *parents* might help children stay in the same school, despite housing instability.

A final policy consideration is already underway in Maryland: expanding the number of high-quality seats for early childhood education. The quality of preschool programs varies substantially. Research suggests that formal programs are more effective than informal; well-funded, well-regulated programs produce more benefits for children; and programs that are more educationally intense narrow the achievement gaps faster than those which are not. To expand access to high-quality seats, Maryland might consider instituting a coordinated effort between Early Head Start and private centers for 3-year-olds and support the public school system’s capacity to serve 4-year-olds on site. The state could simultaneously field research to identify and promote the most effective programs and help to improve weak ones.

[The ALICE Report](#) offers a sobering lens on the struggles of families across the state. It will influence policy discussions in many domains, including education.

